

POSTED
DWS-16-01

ORIGINAL

***Application of
AmeriMex Communications, Corp.
for a Certificate of Public Convenience and
Necessity to provide competitive Local
Exchange telecommunications services
within the State of SC***

Docket No. 2001-83-C



***Testimony of
Steve W. Gunter
Audit Department***

Public Service Commission of South Carolina

RETURN DATE: OK
SERVICE: OK

1 Q. Please state for the record your name, business address,
2 and position with the Public Service Commission of South
3 Carolina.

4 A. My name is Steve W. Gunter. My business address is 101
5 Executive Center Drive, Columbia, South Carolina. I am
6 employed by the Public Service Commission of South
7 Carolina as an Auditor III.

8 Q. Please state your educational background and your
9 experience.

10 A. I received a B.A. Degree in Interdisciplinary Studies
11 with a major in Accounting from the University of South
12 Carolina in 1980. I am a Certified Public Accountant,
13 licensed in the State of South Carolina. Of my eighteen
14 years experience in the auditing profession, seventeen
15 years have involved the ratemaking process.

16 Q: What is the purpose of your testimony involving AmeriMex
17 Communications, Inc.?

18 A. The purpose of my testimony is to testify as to my
19 findings of the Audit Department's review of the
20 financial statements that were a part of the Applicant's
21 filing in this docket.

22 Q. Please present your findings to the Commission.

23 A. The Applicant is a privately-held Georgia Corporation
24 authorized to do business in South Carolina. The

1 unaudited financial statements, which I reviewed, were
2 dated December 31, 2000. The Company's income
3 statement, dated December 31, 2000, reflects net income
4 for the Company's operations in Georgia, North Carolina
5 and Florida. Cash makes up 20% of total assets of the
6 company at the end of December 2000. The company's
7 current ratio, which is an indication of a company's
8 ability to pay current liabilities with current assets,
9 is 1.20. Long-term debt of the company at December 31,
10 2000 is 85% of total liabilities and stockholders'
11 equity. The company's retained earnings were negative
12 due to prior losses. Total stockholders' equity was also
13 negative due to the negative retained earnings.

14 Q. Do you have an assessment of this Applicant's financial
15 position based on the financial statements filed with
16 the Application?

17 A. Yes, I do. The Company will need to continue making a
18 profit in order to eliminate the deficit in retained
19 earnings. The company is liquid and is in a position to
20 begin operations in South Carolina based on the
21 financial statements for the period ended December 31,
22 2000.

23 Q. Does this conclude your testimony?

24 A. Yes, it does.